

State Job Wages



ere is a bit of economic trivia for you to use at your next garden party. How many of the state's jobs pay \$15 or less per hour? The number may surprise you. In fact, your

view of the state's portfolio of employment may have to be changed completely as that number is by no means insignificant. The truth is, most of our employment—and that of most states—is concentrated at the base of a wage pyramid, with a wide base—with low wages—and a very narrow spire—with high wages.

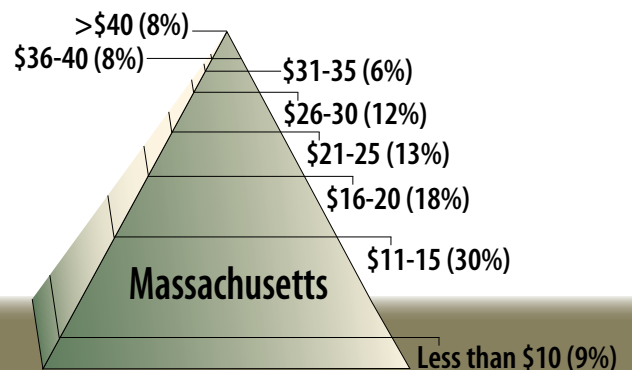
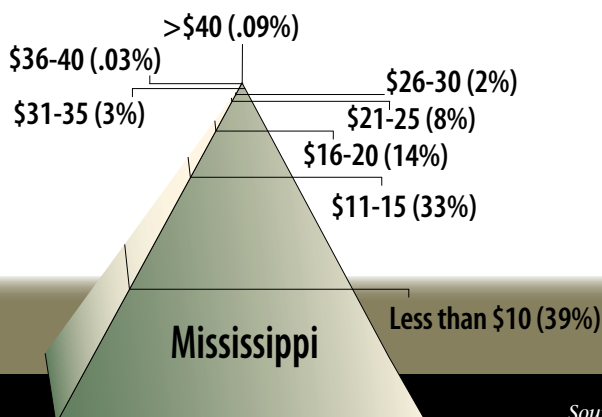
To get a grasp on what Utah's wage and employment pyramid looks like we use data from the Occupational Employment Statistics survey conducted by the Department of Workforce Services for the federal Bureau of Labor Statistics. This nationwide survey provides comparable data for hundreds of occupations across each state in the union. For the purposes of our analysis we will look at the employment estimate and the median wage for each occupation for which data is reported. While this approach is simplistic and lacks precision, it does afford an overview of the distribution of wages and employment in Utah.

For Utah, the data clearly shows this pattern of a rather wide base of lower-paid employment topped by a fairly small cap of highly paid employment. Like her sister states, roughly 60 percent of Utah jobs reported in the survey results paid \$15 or less an hour. That is, of the 1,115,960 jobs accounted for in the survey, roughly 660,000 jobs were in this category. Four occupations made up nearly 20 percent of these 660,000 jobs: retail salespersons, cashiers, general office clerks, and customer service representatives. It may not come as a surprise that these occupations are relatively low-paying, but the realization that they play a crucial role in supporting the full breadth of our economy might.

Indeed, upon this large supporting base sits the state's higher-paying occupations. An additional 34 percent of Utah's employment (we've accounted for 93.3 percent of the state's jobs now) makes between \$16 and \$30 an hour. Occupations in this wage range also provide crucial services for the economy. Some examples include: truck drivers, registered nurses, elementary school teachers, and various first-line supervisors and managers. The remaining 6.7 percent of employment makes more than \$30 an hour. These occupations depend on the base upon which they sit. Without the rest of the pyramid these occupations—like CEOs, managers, doctors, lawyers, computer programmers—would be hard-pressed to exist.

Another way to look at this data is to compare Utah's pyramid to those of other states. Utah has a reputation—largely undeserved—for having low wages. Thus, many people would suspect that the state would fare poorly when compared to other states. In reality, most states share similar wage pyramid characteristics to Utah. Of the 48 states whose data was available at the time this article was written, 37 had 50 percent or more of their jobs in the \$15-or-less-an-hour range. Utah was exactly in the middle of these 48 states, with a rank of 24.

The result of this comparison is strongly influenced by a number of factors. First, the industrial composition of each state has a strong influence on its wage performance. For example, New England states, with large financial and legal industries, had higher shares of workers making more than \$30 an hour. Second, the differing cost-of-living demands among states plays a role in pay determination. Third, and finally, workers in each state are not uniformly homogeneous. That is, the differing levels of human capital, labor force experience, and demographic trends, among other factors, affect wage inter-state performance.



Source: Utah Department of Workforce Services, Occupational Employment Statistics